

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING )  
OF KENTUCKY FRONTIER GAS, LLC D/B/A ) CASE NO. 2011-00079  
COW CREEK GAS, INC. )

ORDER

On June 8, 2006, in Case No. 2006-00171,<sup>1</sup> the Commission approved rates for Cow Creek Gas, Inc. ("Cow Creek") and provided for their further adjustment in accordance with Cow Creek's Gas Cost Adjustment ("GCA") clause. On January 11, 2008, Cow Creek acquired the assets of the former Sigma Gas Corporation ("Sigma") and adopted Sigma's tariffs for furnishing natural gas to Sigma customers in Johnson, Floyd and Magoffin counties.<sup>2</sup> On May 10, 2010, Kentucky Frontier Gas Company, LLC acquired the stock of Cow Creek pursuant to the Commission's approval of the transfer, and adopted Cow Creek's tariffs.<sup>3</sup>

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<sup>1</sup> Case No. 2006-00171, Application of Cow Creek Gas, Inc. for Authority to Adjust Its Rates Pursuant to the Alternative Rate Filing Procedure for Small Utilities (Ky. PSC Jun. 8, 2006).

<sup>2</sup> Case No. 2007-00419, The Application of DLR Enterprises, Inc. and Cow Creek Gas, Inc. for Approval of the Transfer of Certain Assets Formerly Owned and Controlled by Sigma Gas Corporation (Ky. PSC Nov. 21, 2007).

<sup>3</sup> Case No. 2010-00076, Application of Kentucky Frontier Gas Company, LLC for Approval of Transfer of Stock of Cow Creek Gas, Inc., Dema Gas Company, Inc., Purchase of Farm Tap and Royalty Gas Customers of Interstate Natural Gas Company and Transfer of a Portion of DLR Enterprises, Inc. Pipeline to Cow Creek Gas, Inc. (Ky. PSC May 7, 2010).

On March 4, 2011, Cow Creek filed its proposed GCA effective April 1, 2011.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Cow Creek's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.

2. Cow Creek's notice sets out an Expected Gas Cost ("EGC") of \$8.5513 per Mcf. The new EGC represents an increase of \$.0275 per Mcf from the previous EGC of \$8.5238 per Mcf.

3. Cow Creek's notice sets out no current quarter Refund Adjustment ("RA"). Cow Creek's notice sets out no total RA, which is no change from the previous total RA.

4. Cow Creek's notice sets out a current quarter Actual Adjustment ("AA") of \$.03124 per Mcf. Cow Creek's total AA is \$.4348 per Mcf, which is a decrease of \$.1172 per Mcf from the previous total AA of \$.5520 per Mcf.

5. Cow Creek's GCA is \$8.9861 per Mcf, which is a decrease of \$.0897 per Mcf from the previous GCA of \$9.0758 per Mcf.

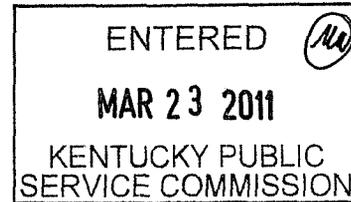
6. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for service rendered by Cow Creek on and after April 1, 2011.

IT IS THEREFORE ORDERED that:

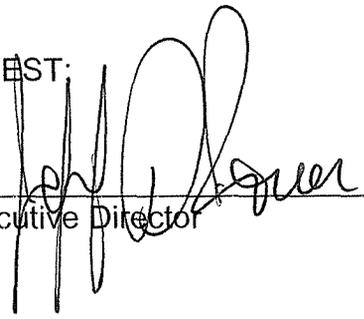
1. The rates in the Appendix to this Order are approved for billing for service rendered on and after April 1, 2011.

2. Within 20 days of the date of this Order, Cow Creek shall file revised tariffs with this Commission for its Sigma customers setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission



ATTEST:

  
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Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2011-00079 DATED **MAR 23 2011**

The following rates and charges are prescribed for the customers in the area formerly served by Sigma Gas Corporation and now served under the name Cow Creek Gas, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATE SCHEDULES

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total Rate</u>
First Mcf	\$ 6.2500	\$8.9861	\$15.2361
Over 1 Mcf	\$ 4.5522	\$8.9861	\$13.5383
Minimum Bill	\$15.2361		

Dennis Horner  
Kentucky Frontier Gas  
4891 Independence Street, Suite 200  
Wheat Ridge, COLORADO 80033